

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0477-03
Bill No.: Perfected HCS for HB 76
Subject: Education, Elementary and Secondary; Elementary and Secondary Education
Department
Type: Original
Date: April 23, 2013

Bill Summary: This proposal relates to Missouri School Improvement Program (MSIP) standards in fiscal years in which schools are underfunded.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	\$0 or Unknown - Could exceed \$100,000	\$0 or Unknown - Could exceed \$100,000	\$0 or Unknown - Could exceed \$100,000

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** state there is no cost to the state or local school districts as a result of this proposal. DESE assumes the proposal may result in a savings at the local level; however, any amount would be unknown.

Oversight assumes savings could either be \$0 for no school districts being assessed a penalty in the first place to Unknown for savings to school districts for not having a penalty assessed under certain situations for not meeting certain Missouri School Improvement Programs standards. Oversight assumes school districts could also see savings by being excused from compliance with spending funds for professional development as required under §160.530.1 and the fund placement and expenditure requirements of §163.031.6.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
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LOCAL POLITICAL SUBDIVISIONS

Savings - Local School Districts -

Removal of penalty assessments,	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
professional development costs, and fund	- Could exceed	- Could exceed	- Could exceed
placement and expenditure requirements	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>

ESTIMATED NET EFFECT ON	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
LOCAL POLITICAL SUBDIVISIONS	- Could exceed	- Could exceed	- Could exceed
	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Currently, if the school funding formula is underfunded or the transportation appropriation is less than 75% of allowable costs in Fiscal Years 2011, 2012, or 2013, a school district cannot be penalized for failing to meet its accreditation resource standards under the Missouri School Improvement Program. This bill removes the limitation to specific fiscal years and applies this provision to any fiscal year in which the formula or transportation categorical is underfunded.


Similarly, if the Governor withholds funds for the school funding formula basic apportionment in any fiscal year, a school cannot be penalized in the following fiscal year for failing to meet resource standards under the program. Currently, this provision only applies in Fiscal Years 2011, 2012, and 2013.

Also, if the school funding formula is underfunded or the transportation appropriation is less than 75% of allowable costs, as outlined above, school districts shall be excused from compliance with spending funds for professional development and certain fund placement and expenditure requirement.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education



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